



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
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**Testimony COMMENTING on H.B. 645
Relating to the Military**

REPRESENTATIVE CHRIS LEE, CHAIR
HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Hearing Date: **February 17, 2015**
Time: **8:30 am**

Room Number: 325

Fiscal Implications: Allocates funds from the Department of Health's Environmental Response Revolving Fund (ERRF) to address concerns relating to Red Hill fuel storage tank repair.

Department Testimony: H.B. 645 proposes to allocate money from the ERRF to address concerns relating to the repair of leaking underground storage tanks at the Red Hill Fuel Storage Facility. The Department is concerned that because the ERRF is currently drastically underfunded, it will not be able to support these specific activities. In accordance with the Hawaii Revised Statutes Chapter 342L and Hawaii Administrative Rules section 11-281, owners and operators are responsible for tank repairs. In this situation, the U.S. Navy and the Defense Logistics Agency are the owner and operator of the Red Hill underground storage tanks, and thus are responsible for repairs.

This measure highlights the importance of having sufficient funding in the ERRF so that the Department can effectively support programs that protect the environment. When the ERRF is underfunded, as is the case currently, it cannot serve as a reliable financial resource for responding to oil or chemical spills or other environmental emergencies. Right now, the ERRF receives about \$1.2 million annually from the Barrel Tax (5 cents for every barrel of oil imported into the State). However, because of the State's decreasing consumption of oil, ERRF revenues have steadily declined by ~5% per year and will likely continue to do so into the future. The \$1.2 million the Department currently receives from the Barrel Tax is insufficient to sustain the 41 positions (31 filled positions) that depend on the ERRF for funding (see graph below), let alone to provide funding for responding to unforeseen environmental emergencies.

In order to remedy the current ERRF financial situation, the Department has separately requested a 15 cent allocation for the ERRF (H.B. 941/S.B. 1110), and a one-time Emergency Appropriation of \$1,050,000 in the Governor's Package (H.B. 949/S.B. 1118), which would help it to meet its financial obligations and cover payroll through the end of FY 2015. The

1 Department has also requested a \$1 million loan from the State Treasury, which the Department
2 of Budget and Finance and the Governor's Office are currently considering.

3 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
CARTY S. CHANG
Interim Chairperson**

**Before the House Committee on
ENERGY AND ENVIRONMENTAL PROTECTION**

**Tuesday, February 17, 2015
8:30 AM
State Capitol, Conference Room 225**

**In consideration of
HOUSE BILL 645
RELATING TO THE MILITARY**

House Bill 645 proposes to appropriate an unspecified amount funds from the environmental response revolving fund as may be necessary for Fiscal Year 2016-2017 to address concerns relating to and the repair of the leaking underground fuel storage tanks at the Red Hill Fuel facility. **The Department of Land and Natural Resources (Department) offers the following comments.**

Underground storage tanks are a major threat to the public trust water resources of the State. It is imperative that all leaking underground storage tanks be repaired, especially the tanks at the Red Hill Fuel facility which is the largest field-constructed storage tank system in Hawaii, capable of storing up to 187,000,000 gallons of fuel. The Department notes that a representative from the Department's Commission on Water Resource Management sat on the Red Hill Task Force.

Leaking underground storage tanks directly threaten ground water resources, which provide over 90 percent of the potable drinking water for the people of Hawaii. We have a public trust obligation to protect and preserve this valuable and irreplaceable resource. We must be proactive and protective to ensure the long-term sustainability of our precious water resources.

The Department defers to the Department of Health regarding the fiscal implications related to this proposal.

CARTY S. CHANG
INTERIM CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DANIEL S. QUINN
INTERIM FIRST DEPUTY

W. ROY HARDY
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843



February 17, 2015

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ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer

The Honorable Chris Lee, Chair
and Members
Committee on Energy and Environmental Protection
House of Representatives
Hawaii State Capitol, Room 325
Honolulu, Hawaii 96813

Dear Chair and Members:

Subject: House Bill 645: Environmental Response Revolving Fund Appropriation
to Address Leaking Tanks at the Red Hill Fuel Storage Facility

We strongly support the intent of House Bill 645 to address leaks at the Red Hill Fuel Storage Facility (Facility) and request the bill also appropriate resources to the Department of Health's underground storage tank regulatory program. Given the size of the Facility, combined with the number of existing leaking underground storage tanks statewide, additional resources for regulatory oversight of leaking tanks is warranted to insure our drinking water supplies and environment are protected.

The Board of Water Supply has serious concerns about the numerous past fuel releases from the Facility and its impact on an irreplaceable groundwater aquifer that we all depend on for our potable water supply. Studies indicate past fuel releases have already contaminated the groundwater and soil underneath the Facility with petroleum hydrocarbons including the risks of large releases of fuel to the ground aquifer, the environment and the community we serve. Mitigating the situation now is prevention that will cost significantly less than the cost to clean up large scale contamination to the aquifer and environment after it occurs.

We support every effort to address the situation at the Facility today to save our most precious resource – the groundwater aquifer – now and into the future.

Thank you for the opportunity to testify.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

lowen2-Thomas

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 14, 2015 12:06 AM
To: EEPtestimony
Cc: lucialyou@gmail.com
Subject: Submitted testimony for HB645 on Feb 17, 2015 08:30AM

HB645

Submitted on: 2/14/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Lucia You	Individual	Support	No

Comments: To address concerns, repairs should be the responsibility of the military, who created the storage tanks

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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lowen2-Thomas

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 13, 2015 2:41 PM
To: EEPtestimony
Cc: rfreitasjr@hotmail.com
Subject: Submitted testimony for HB645 on Feb 17, 2015 08:30AM

HB645

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Freitas Jr.	Individual	Support	No

Comments: I support this bill!!!

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 13, 2015 7:39 PM
To: EEPtestimony
Cc: shannonkona@gmail.com
Subject: Submitted testimony for HB645 on Feb 17, 2015 08:30AM

HB645

Submitted on: 2/13/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Oppose	No

Comments: Oppose. The Federal government made the mess - AL funds related to clean up should come from them.

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lowen2-Thomas

From: mailinglist@capitol.hawaii.gov
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To: EEPtestimony
Cc: burgharc@gmail.com
Subject: Submitted testimony for HB645 on Feb 17, 2015 08:30AM

LATE

HB645

Submitted on: 2/17/2015

Testimony for EEP on Feb 17, 2015 08:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl	Individual	Oppose	No

Comments: Why are we paying for anything that the military has broken or has damaged? This needs to be fixed at their expense not ours.

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